

- Upper-income individuals (\$85,000 annual income for individuals or \$170,000 for married couples filing jointly) will pay higher Part D premiums. This change affects about 2 percent of Medicare beneficiaries in 2011; however, these thresholds are frozen and will affect more people each year because of inflation.
- Individuals making \$200,000 and over and couples making \$250,000 and over will pay a Medicare tax on net investment income.
- A new Independent Payment Advisory Board (IPAB) will have authority to recommend Medicare cost savings. The recommendations will become law if Congress does not enact another proposal that achieves the same cost savings.



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About the National Academy of Elder Law Attorneys (NAELA)

NAELA, founded in 1987, is a national association of Elder and Special Needs Law attorneys devoted to the education and training of attorneys who can meet the needs of seniors and people with disabilities, and who advocate for the needs of such individuals.

While NAELA Elder and Special Needs Law attorneys work one-on-one with clients in their local areas, NAELA also examines and advocates on national public policy issues facing seniors and people with disabilities in America including long-term health care; planning for retirement; estate planning and probate; guardianship and conservatorship; health care decision making; and elder abuse and neglect.

This informational brochure is provided as a public service and is not intended as legal advice. Such advice should be obtained from a qualified Elder and Special Needs Law attorney.

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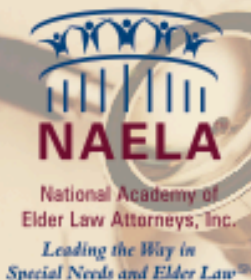
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For more information about how the health care reform law may affect you and how to plan for your future, contact:



How Does Health Care Reform Affect Medicare?



Health Care Reform Series

Medicare beneficiaries, that is, people who use Medicare, have questions about how the new health care reform law will affect them. As a result of the health care reform law:

Prescription Drugs

- Medicare beneficiaries who enter the Part D prescription drug “donut hole” coverage gap in 2010 will receive a one-time \$250 rebate check. Checks will be mailed throughout the year as beneficiaries enter the coverage gap. Individuals will not need to request or apply for the payment.
- In 2011, Medicare beneficiaries who reach the “donut hole” will receive a 50 percent discount when buying Part D-covered brand-name prescription drugs and a 7 percent discount when buying generic prescription drugs.
- Over the next 10 years, the Part D “donut hole” will be gradually closed.
- Part D co-payments will be eliminated for individuals who are eligible for both Medicare and Medicaid and who are receiving home- and community-based services.

Prevention

- Starting in 2011, traditional Medicare will cover free annual physicals and eliminate co-payments and deductibles for preventive care like colonoscopies and mammograms.

Chronic Care

- Community health teams will support primary care doctors and coordinate care and communication for Medicare beneficiaries who see multiple doctors.
- Medicare beneficiaries who are hospitalized will get help from a “Care Transitions Program” when they are released to help make sure they understand their discharge instructions, and receive information on services and supports in the community.

Medicare Advantage Plans

- Medicare Advantage (MA) plans will continue to be required to provide the same benefits that are provided by traditional Medicare. Congress did not make any changes to Medicare guaranteed benefits.
- Starting in 2012, Medicare Advantage plans will receive lower payments in some parts of the country. As a result, some MA plans may cut optional benefits such as vision and dental, but cannot reduce guaranteed benefits.
- Medicare Advantage plans that give high-quality services will receive bonus payments. Plans are required to use some of the bonus to offer additional benefits to beneficiaries.



- Starting in 2011, all Medicare Advantage plans will have to reduce members’ out-of-pocket costs for some high cost services and for people who use the most health care. The plans can only charge the same amount as someone with traditional Medicare pays for services like cancer drug treatment, renal dialysis, and nursing home care.
- Starting in 2014, Medicare Advantage plans will be required to spend at least 85 percent of every dollar they receive on health care.

Medicare Solvency

- Over the next 20 years, Medicare spending will continue to grow, but at a slightly slower rate as a result of reductions in waste, fraud, and abuse.
- The solvency of the Medicare Trust Fund will be extended by 12 years. Before the law passed, the fund was projected to be depleted in 2017.

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